

AARP PETITION -- APPENDIX A

A. Definitions. For the purposes of this order:

(1) "Amount overdue" means the amount that the company has properly billed to a customer that has not been paid by the due date of the bill or by a date otherwise agreed upon.

(2) "Eligible customer" means any residential customer of the company who is taking, or seeks to establish, residential service, not including seasonal service; and who meets one of the following requirements:

(A) The customer's household receives assistance from any program administered by the agency of human services for which eligibility is based on a means-test with a threshold at or below 150 percent of federal poverty guidelines as defined annually by the U.S. Department of Health and Human Services; or

(B) The customer's household income is at or below 150 percent of federal poverty guidelines as defined annually by the U.S. Department of Health and Human Services and certified by the office of economic opportunity.

(3) "the company" and "each company" means Green Mountain Power Corporation and Central Vermont Public Service Corporation.

(4) "Energy Support Program" (ESP) is a program to assist eligible customers in paying their electric bills.

(5) "LIHEAP" means "low income home energy assistance program," which is a federally funded program that provides financial assistance grants to needy households for home energy bills and is implemented by the office of economic opportunity.

(6) "Participating customer" means a customer who has applied and has been determined to be eligible for ESP by the office of economic opportunity.

(7) "Pre-program arrears" means a customer's electric service account amount overdue at the time the customer is determined to be eligible for ESP. This amount may consist of a customer's overdue amount that is currently billed on the customer's electric service account and any other prior unpaid bill for residential electric service that is owed by the customer to the same electric company.

(8) "Residential customer" means any person who seeks to establish or is receiving residential service from the company.

B. Each company, the department of public service and AARP shall collaborate and seek to develop an agreed upon memorandum of understanding establishing the policies and procedures of the program, and shall be submitted to the board for review, modification and/or approval. Any dispute may be submitted to the board for resolution. The memorandum of understanding and resulting order shall set out the procedures for a ESP that:

(1) Shall be available to eligible customers served or seeking to be served by the company.

(2) Shall utilize the guidance and standards of the Vermont office of economic opportunity to screen and prioritize program applicants for participation in ESP.

(3) Shall be funded by an assessment on the customers of each company. The funding amount shall be available for ESP benefits, including arrears forgiveness payments, and reimbursement of incremental administrative costs incurred by the company. Any material changes in the program design, customer assessment or budget for ESP shall be adopted through the process described in this order, and shall ensure that the program is consistent with the needs

of participating customers and that all reasonable costs of the program will be reflected in the assessment to be charged to the customers.

(4) Shall establish a discount program under which each participating customer shall receive a discount in the amount of 25% of the customer's monthly bill. The monthly total credit shall not exceed the average monthly bill for the company's residential customers, nor shall it exceed the company's average monthly residential electric bill for that month. Any emergency or crisis assistance LIHEAP payment shall not be subtracted from the amount of the fixed credit, but shall be applied to the customer's account in the normal course of the administration of such emergency or crisis benefit programs. A participating customer is responsible for all actual charges for electric service in excess of the fixed monthly credit.

(5) Shall require the customer to enter into a budget-billing plan.

(6) Shall include a pre-program arrears forgiveness component to ensure participants are able to afford current bills under the program. During each participant's first term of ESP, the company shall offer the participating customer an option to obtain forgiveness of all of the customer's arrears balance pursuant to an arrears forgiveness program. The opportunity for arrears forgiveness shall apply only to arrears accumulated prior to the date on which the customer first enrolls in ESP in the company's service territory, and shall be available to each customer only once within that service territory.

(7) Shall ensure that as a condition of program enrollment, a ESP participant shall accept no-cost or low-cost, demand-side management measures and programs that are available to the participant's dwelling or rental unit, unless the participant is a renter and the owner or landlord withholds the required consent.

C. It is the intent of this order that ESP assistance will not be counted as income or as a resource in other means-tested assistance programs for low income households. ESP shall therefore be administered in a way that seeks to ensure that ESP assistance will not result in the loss of other federal or state assistance dollars.

D. This order does not confer any automatic right or entitlement on any person.

E. The board hereby establishes and approves a flat fee system for the support of ESP. The monthly charge shall be \$1.00 per meter for residential customers, \$3.00 per meter for commercial and industrial customers whose average monthly usage during the previous 12 months did not exceed 12,000 kilowatt-hours, and \$100.00 per meter for commercial and industrial customers whose average monthly usage during the previous 12 months exceeded 12,000 kilowatt-hours. The charge shall be known as the affordability program charge, shall be shown separately on each customer's bill, and shall be collected and remitted to the company. When such a charge is shown, notice as to how to obtain information about ESP shall be provided in a manner set forth in the Memorandum of Understanding. Balances in the fund shall be ratepayer funds, shall be used to support the activities authorized in this section, and shall be carried forward and remain in the fund at the end of each fiscal year. These monies shall not be available to meet the general obligations of the company. Interest earned shall remain in the fund.

F. Program funding associated with the costs of ESP, including the arrearage forgiveness component, shall be recovered from all customers of the company by means of affordability

program charges. In any year in which the cost of the program exceeds the revenue from the affordability program charges, the company, upon notice to the department of public service and AARP, shall prioritize enrollment on the basis of ratio of household income to the federal poverty guidelines as defined annually by the U.S. Department of Health and Human Services. Any dispute shall be resolved by the board.

G. The board shall require the company to maintain sufficient data on participating residential customers and non-participating residential customers so that the costs of and savings associated with the program can be determined, including the number of participating customers, dollar amount of billing to participating customers, kilowatt-hour sales to participating customers, number of participating customers with unpaid balances over 60 days old, dollar value of accounts of participating customers over 60 days old, number of participating customer accounts disconnected for non-payment, number of participating customer accounts reconnected after disconnection for non-payment, number of participating customer accounts written off as uncollectible, dollar value of participating customer accounts written off as uncollectible, ESP customer contacts and disputes, payment arrangement terms, and other relevant company operations and maintenance expenses, and impacts on the company's cash and working capital.

H. Each company and its contractors shall use reasonable efforts to implement ESP in coordination with the delivery of LIHEAP and the weatherization assistance program, other statewide financial assistance programs, and community-based organizations that already have a significant role in the implementation of energy and financial assistance programs for low income households to assure the most efficient determination of eligibility and the benefit amount in coordination with existing programs in this state.

I. During each program year, each company shall track and monitor all funding, benefits, and expenses of the program, as well as the data required by paragraph G above. The company shall provide the department and the board with monthly reports in electronic data format.

J. Each company shall be entitled to receive actual incremental administrative costs associated with the implementation of ESP.

K. Each company shall develop an automatic enrollment method such that potentially eligible participants are identified by the company and enrolled in ESP. The company shall keep the customer-specific account and income information private and the company's use of this private information will be limited to the implementation and goals of ESP, except that the efficiency utility established under section 209 of title 30 shall be informed of all participants in the home heating fuel assistance program and the ESP. The transmittal of customer-specific information designed to screen electric customers for enrollment in ESP is intended to implement an additional benefit within the meaning of the consumer privacy policies of the federal Social Security Act.

L. Each company may utilize the services of third-party contractors, including but not limited to the efficiency utility provided for in 30 V.S.A. § 209, to implement any of the obligations set forth herein, including but not limited to determination of eligibility of customers and implementation of the automatic enrollment procedures.

M. Each company shall inform customers who are automatically screened and enrolled in ESP through the data matching process of their enrollment in the program, the amount of the fixed credit that will appear on the customer's electric bill, how to participate in the arrears forgiveness program, and the customer's obligation to participate in no-cost or low-cost energy management services. Each customer shall also be offered an option to forego participation in or to opt out of the program.

N. Each company shall contract with an independent, third-party entity every three years to conduct an evaluation of the process and impact of ESP, which shall analyze and determine the impact of the program on program participants and their ability to pay for and retain electric service, the efficiency and effectiveness of the administration of the program, the impact of the program on electric company credit and collection expenses, including cash working capital and uncollectible expense, and generally assess the costs and benefits of the program. The reasonable costs of the evaluation required under this section shall be reimbursed from ESP funds.

O. Each company shall bill and collect the monthly bill of a ESP customer pursuant to the same terms and conditions that are applicable to residential customers generally.

P. Each company shall file quarterly and annual reports with the board and the department of public service that cumulatively summarize and update program information as directed by the board.

It is SO ORDERED.

Date:
